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FIELD REPRESENTATION

Progress report by the Director-General

Reports on the implementation of decision IDB.23/Dec.8.

Introduction

1. At its twenty-third session, in decision IDB.23/Dec.8, the Industrial Development Board requested the Secretariat, in consultation with Member States, to provide an in-depth analysis of the current situation of the field offices and their contribution to technical cooperation delivery in order to enhance their effectiveness and submit it to the twenty-fourth session of the Board.

2. The Board also requested the Director-General to provide more comprehensive details of the Secretariat's approach towards effective decentralization in order to continue consultations with Member States and to report thereon to the twenty-fourth session of the Board.

3. In response to those requests, the present document outlines the main developments in the first quarter of the year.

I. STUDY ON THE CURRENT SITUATION OF UNIDO FIELD OFFICES

4. In the intervening months, the Secretariat elaborated and conducted a detailed survey on the functioning of field offices, with particular emphasis on the role played by them in the formulation and

implementation phases of technical cooperation programmes and projects. The survey involved regional programme staff, local counterparts, Headquarters team leaders and project managers. Most of the responses have been received and analysed in a study that will be finalized upon the receipt of a few remaining inputs. At this stage, the study confirms the limited role played by the field offices in the formulation and implementation phases of technical cooperation assistance and highlights the inherent dilemma between more effective field coverage through field representation and less human and financial resources. The study and its findings will be presented to the Board at its twenty-fourth session.

II. UNIDO'S APPROACH TOWARDS DECENTRALIZATION

5. In the second half of 2000, the Secretariat engaged in extensive consultations with Member States regarding the opportunity to expand and qualitatively change the field structure by empowering field staff with substantive technical cooperation activities. During those consultations, Member States noted that effective decentralization of activities to the field had remained incomplete and reaffirmed the need to proceed further. However, they expressed their preference, for the time

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being, for consolidation of the existing field structure while eliminating organizational inefficiencies.

6. In light of the foregoing, the Secretariat has maintained its 36 offices, including 10 regional and 18 country offices.¹ The nature and functions of field offices have also remained virtually unchanged. The only exception is the regional office in Nigeria, which has been empowered with substantive responsibilities in the implementation of the Country Service Framework. The Head of the regional office is the team leader of the Framework.

7. The enhanced regional office in Nigeria represents the first pilot case towards effective decentralization. Based on this experience, the Organization will then be in a better position to prepare a more detailed plan on how decentralization should proceed.

III. ACTION REQUIRED OF THE BOARD

8. The Board may wish to take note of the information provided in the present document.

¹ The status of UNIDO field representation as of 31 December 2000 is provided in the *Annual Report 2000* (IDB.22.2, appendix K).